

Members:

Rep. Susan Crosby, Chairman  
Rep. Gloria Goeglein  
Sen. Steven Johnson  
Sen. Cleo Washington



Lay Members

Candace Backer  
Robert Bonner  
Dr. David Giles  
John Huber  
Galen Goode  
Gloria Kardee  
Jerri Lerch  
Amelia Cook Lurvey  
Janet Marich  
Judge Stephen Spindler  
Judith Tilton

LSA Staff:

Ron Sobecki, Fiscal Analyst for the Commission  
Steven R. Wenning, Attorney for the Commission

Authority: P. L. 37-1998

## **INDIANA COMMISSION ON MENTAL HEALTH**

**Legislative Services Agency  
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Indianapolis, Indiana 46204-2789  
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### **MEETING MINUTES<sup>1</sup>**

Meeting Date: May 20, 1998  
Meeting Time: 10:00 A.M.  
Meeting Place: State House, 200 W. Washington St.,  
Room 233  
Meeting City: Indianapolis, Indiana  
Meeting Number: 2

Members Present: Rep. Susan Crosby, Chairman; Rep. Gloria Goeglein; Sen. Steven Johnson; Candace Backer; Robert Bonner; Dr. David Giles; Galen Goode; Gloria Kardee; Jerri Lerch; Amelia Cook Lurvey; Janet Marich.

Members Absent: Sen. Cleo Washington; John Huber; Judge Stephen Spindler; Judith Tilton.

Representative Susan Crosby (Chairman) called the Indiana Commission on Mental Health meeting to order at 10:15 a.m. The statutory charges of the Commission that are contained in P.L. 37-1998 and Legislative Council Resolution 98-2 were distributed to members.

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<sup>1</sup> These minutes are available on the Internet at the General Assembly homepage at <http://www.ai.org/legislative/>.

**Janet Corson, Acting Director, Division of Mental Health**

Ms. Corson began by updating the Commission on the Division of Mental Health's (DMH) search for a new director. Ms. Corson distributed information concerning the proposed reimbursement rates to Commission members.<sup>2</sup> While addressing the issue of the proposed statewide reimbursement rates, Ms. Corson stated that the reimbursement rate for seriously mentally ill (SMI) adults has changed from last year. The new rate is based on a weighted average and was suggested by the William M. Mercer, Inc. actuarial study. DMH will probably implement the new rates in July. The highest reimbursement rate will be for gambling addictions. This rate was based on estimates supplied by mental health providers. The reason for the high rate is that by the time a patient receives gambling addiction services they are usually at an acute stage (e.g. suicidal, severely depressed). About \$820,000 will be budgeted for gambling services next year.

**Jim Jones, Indiana Council of Community Mental Health Centers**

Mr. Jones stated that the community mental health centers had concerns with DMH's new rate structure and implementation timetable for the recommended rates. An agreement was reached with DMH that allows most mental health provider's contracts to remain stable for the next year. Also, DMH has promised to move unallocated funds from an area that has a surplus to fill-in areas where the rates are reduced. The Mercer study demonstrates that the entire mental health system is underfunded. In the future reimbursement rates for urban areas will grow the fastest. Many small communities have very few mental health providers. Providers usually settle in areas with a high population density. Though competition can cause efficiency, Mr. Jones did not believe that this necessarily served the needs of small communities. Mr. Jones noted that the Department of Correction mental health population was not covered under the Mercer study. This is a significant piece of information that is missing when determining the needs and allocation of mental health services.

**Stephen C. McCaffrey, President, Mental Health Association of Indiana**

Mr. McCaffrey stated that the community mental health centers, mental health providers, and DMH worked well together to resolve many major issues concerning the new reimbursement rates. He noted that though about a half million people qualify for the Hoosier Assurance Plan only about 50,000 people are being served. He would like to see the General Assembly address the financial need of the plan in the next budget.

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<sup>2</sup> This document is on file in the Legislative Information Center, Room 230, Statehouse, Indianapolis, Indiana. The telephone number of the Legislative Information Center is (317) 232-9856, and the mailing address is 200 W. Washington St., Suite 301, Indianapolis, Indiana 46204-2789.

**Lee Strawhun, Southlake Center for Mental Health**

Mr. Strawhun testified that there is not a region of Indiana that is meeting all the mental health needs of its community. The Mercer actuarial study has given DMH and the mental health community good empirical data on the mental health needs in the state. Mr. Strawhun stated that he supports the hold harmless implementation provision by DMH so that changes can be made incrementally and community mental health centers can adjust to the new rates. He noted that though there are many good recommendations from the Mercer study it will take time to accomplish the suggested changes.

**Rick Gustafson, Executive Director, Safe Haven**

Mr. Gustafson distributed to the Commission a letter to DMH concerning the tiered case rate system.<sup>3</sup> The Mercer actuarial study did not address the mentally ill among the homeless population. Last year there was an 82% reduction in the number of detoxification beds in the Indianapolis area. The Veterans Administration and Central State Hospital no longer provide detoxification beds though they used to have 85 beds. There are not many treatment options for persons without a home. The costs of not treating the homeless are hidden. They go to emergency rooms where costs are passed on to other patients or the government. If they do not receive treatment they often end up in jail where the cost is about \$22,000 a year. Inpatient care is needed for the homeless mentally ill and addicted.

**Dan Scheply, Executive Director, CHIP**

Mr. Scheply addressed the Commission about the problems facing homeless people with addictions. Each year in Indianapolis there are 7000-9000 individuals who are fully or temporarily homeless, while 20,000 additional people are at risk of being homeless during the year. At least 50% of the homeless people are also dealing with addictions. There is inadequate treatment of addictions. In Indianapolis there are only 8-10 detoxification beds available. It has been shown that outpatient treatment is ineffective for homeless individuals. Inadequate addictions treatment undermines other efforts to get shelter and jobs for homeless individuals.

**Margaret Trauner, Chairman, Division of Mental Health Advisory Council**

Speaking on behalf of the Division of Mental Health Advisory Council, Ms. Trauner made the following recommendations:

- That for Fiscal Year 1999 that the rates for services to the target populations be as follows:
  - Severely mentally ill (SMI): \$2900

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<sup>3</sup> Copies of this document are on file in the Legislative Information Center (see footnote #2).

- Severely emotionally disturbed children (SED): \$2000
- Substance abuse (SA): \$2500
- That shadow rates be initiated for the proposed tiered rates during the 1999 Fiscal Year.
- That the 1.35 urban adjustment in Mercer's report not be implemented before there is an opportunity to see how the changes affect income for rural providers.
- That a mechanism be created for collecting data that is not available through the Mercer report (e.g. dual diagnosis information on persons who have both mental illness and substance abuse disorders).

**Capt. Charles Kennedy, Executive Director, Harbor Light Center, Salvation Army**

Capt. Kennedy stated that though the Division of Mental Health is supporting the Center the mental health and addictions system is suffering from being underfunded. The Harbor Light Center took over some of the services provided by Central State Hospital after Central State closed. The Center provided services to 2400 individuals before the Hoosier Assurance Plan took effect. Since the Plan has been in place the Center served 1200 people but only received payment for 600. The Center has had to lay off 45 staff and reduce the number of detoxification beds to eight. There is a need to increase the number of detoxification beds in the Indianapolis area.

**Tom Cox, Director, Independent Addiction Treatment Providers Association**

Mr. Cox made the following points to the Commission:

- Independent addiction treatment providers will probably benefit from the new tiered funding system. They have traditionally served the lowest income people.
- The mental health and addictions system is underfunded. The state needs to look at ways to bring more money into the system.
- Detoxification beds have been reduced statewide - not just in Indianapolis (e.g. there are less than 20 residential beds statewide for low income adolescent addictions).

The Chairman adjourned the meeting at 12:10 p.m.